

**LOUISIANA HOSPITAL ASSOCIATION
AND SUBSIDIARY**

and

**LOUISIANA HOSPITAL ASSOCIATION
RESEARCH AND EDUCATION FOUNDATION**

Audits of Combined Financial Statements

December 31, 2013 and 2012

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Independent Auditor's Report

The Board of Trustees
Louisiana Hospital Association and Subsidiary
and Louisiana Hospital Association Research
and Education Foundation

Report on the Financial Statements

We have audited the accompanying combined financial statements of Louisiana Hospital Association and Subsidiary and Louisiana Hospital Association Research and Education Foundation (collectively, the Association) which comprise the combined statements of financial position as of December 31, 2013 and 2012, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Hospital Association and Subsidiary and Louisiana Hospital Association Research and Education Foundation as of December 31, 2013 and 2012, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Other Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining statements of activities for the years ended December 31, 2013 and 2012, and the accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2014, on our consideration of Louisiana Hospital Association and Subsidiary and Louisiana Hospital Association Research and Education Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.



A Professional Accounting Corporation

Metairie, LA
May 12, 2014

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION
Combined Statements of Financial Position
December 31, 2013 and 2012**

	2013	2012
Assets		
Cash and Cash Equivalents	\$ 2,789,665	\$ 2,462,466
Cash - Restricted, Contracts and Grants	874,723	518,844
Cash - Restricted, Board Designated Public Relations	-	100,148
Cash - Restricted, Board Designated Investiture	-	20,574
Accounts Receivable, Net	3,927,237	3,874,878
Accounts Receivable - Contracts and Grants	670,730	415,851
Due from Affiliates	68,577	124,348
Other Assets	234,088	124,637
Investment in Affiliate	704,896	207,315
Investments	7,274,223	6,950,094
Property and Equipment, Net	1,764,611	1,862,305
Total Assets	\$ 18,308,750	\$ 16,661,460
Liabilities		
Accounts Payable	\$ 81,254	\$ 186,233
Due to Affiliates	285,717	-
Treasury Payable	324,881	890,994
Deferred Revenue	3,876,968	3,771,201
Other Accrued Liabilities	140,876	248,426
Income Tax Payable	28,752	2,265
Deferred Tax Liability	151,322	151,829
Total Liabilities	4,889,770	5,250,948
Unrestricted Net Assets		
Undesignated	13,418,980	11,310,364
Board Designated for Public Relations	-	100,148
Total Net Assets	13,418,980	11,410,512
Total Liabilities and Net Assets	\$ 18,308,750	\$ 16,661,460

The accompanying notes are an integral part of these combined financial statements.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION
Combined Statements of Activities
For the Years Ended December 31, 2013 and 2012**

	2013	2012
Revenues, Gains and Other Support		
Institutional Revenue	\$ 3,630,850	\$ 3,399,950
Non-Institutional Revenue	184,734	200,072
Educational Activities	867,807	794,777
Equity in Income of Affiliate	497,581	419,602
Investment Return	535,704	385,834
Management Fees	584,859	585,009
Direct Contract and Grant Revenue	2,639,333	1,288,082
Indirect Contract and Grant Revenue	97,581	96,985
Other Revenue	49,149	34,923
Total Revenues, Gains and Other Support	9,087,598	7,205,234
Expenses		
Program Expenses		
Salaries, Wages and Benefits	3,292,317	3,185,639
Educational Activities	469,459	417,680
Contract and Grant Expense	1,561,063	1,282,616
Supporting Expenses		
Building, Office and Equipment	255,948	287,526
General and Administrative	248,099	239,351
Insurance	31,373	32,659
Legal and Professional Fees	619,618	316,895
Public Relations	194,922	67,956
Other Expenses	117,644	102,534
Bad Debt Expense	53,783	87,441
Income Tax Expense	75,739	28,065
Depreciation	159,165	142,317
Total Expenses	7,079,130	6,190,679
Change in Net Assets	2,008,468	1,014,555
Unrestricted Net Assets, Beginning of Year	11,410,512	10,395,957
Unrestricted Net Assets, End of Year	\$ 13,418,980	\$ 11,410,512

The accompanying notes are an integral part of these combined financial statements.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION
Combined Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012**

	2013	2012
Cash Flows Operating Activities		
Change in Net Assets	\$ 2,008,468	\$ 1,014,555
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	159,165	142,317
Equity in Income of Affiliate	(497,581)	(419,602)
Realized Gain on Sales of Investments	(636,850)	(33,766)
Unrealized Loss (Gain) on Investments	188,817	(247,250)
Gain on Sale of Assets	-	338
Bad Debt Expense	53,783	87,441
(Increase) Decrease in Operating Assets		
Cash - Restricted	(235,157)	(403,170)
Accounts Receivable, Net	(106,142)	(360,028)
Accounts Receivable - Grants	(254,879)	(215,166)
Due from Affiliates	55,771	(16,384)
Other Assets	(109,451)	(33,702)
(Decrease) Increase in Operating Liabilities		
Accounts Payable	(104,979)	180,032
Due to Affiliates	285,717	-
Treasury Payable	(566,113)	568,952
Deferred Revenue	105,767	214,033
Other Accrued Liabilities	(107,550)	(28,155)
Income Taxes Payable	26,487	(36,541)
Deferred Tax Liability	(507)	(18,240)
Net Cash Provided by Operating Activities	264,766	395,664
Cash Flows from Investing Activities		
Proceeds from Sales of Investments	6,502,274	530,136
Purchase of Investments	(6,378,370)	(635,416)
Proceeds from Distributions of Earnings in ShareCor, LLC	-	529,466
Purchases of Property and Equipment	(61,471)	(243,602)
Net Cash Provided by Investing Activities	62,433	180,584
Increase in Cash and Cash Equivalents	327,199	576,248
Cash and Cash Equivalents, Beginning of Year	2,462,466	1,886,218
Cash and Cash Equivalents, End of Year	\$ 2,789,665	\$ 2,462,466
Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Year for Taxes	\$ 42,503	\$ 93,305

The accompanying notes are an integral part of these combined financial statements.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 1. Organization

Nature of Activities

The accompanying combined financial statements include the accounts of the following Louisiana not-for-profit entities:

Corporation	Income Tax Status
Louisiana Hospital Association (LHA)	Exempt-Sec. 501(c)(6)
Louisiana Hospital Association Research and Education Foundation (Foundation)	Exempt-Sec. 501(c)(3)

LHA includes the accounts of its wholly-owned subsidiary, Louisiana Hospital Association Management Corporation (LHAMC). LHAMC is a for-profit entity that sponsors educational programs. Revenue and expenses related to continuing education programs are recognized in the period the programs are presented.

All significant inter-organizational accounts and transactions have been eliminated in the combined financial statements.

LHA is a not-for-profit association representing hospitals and healthcare systems throughout the state. LHA carries out its mission by providing services and resources to members through advocacy, education, research, representation and communication. It is governed by a board of trustees whose members are elected annually by the assembly of members. The Foundation was organized for educational and research purposes. The Foundation's board is comprised mainly of members of the board of trustees of LHA.

LHA bills and collects annual membership fees for itself and for the American Hospital Association (AHA). The AHA compensates LHA for billing and collecting AHA dues from Louisiana members. Compensation from the AHA and LHA dues are recognized as revenue in the year covered by the membership dues.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

LHA and the Foundation (collectively, the Association) prepare their combined financial statements in accordance with accounting principles generally accepted in the United States of America involving the application of accrual accounting; accordingly, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The Association follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. At December 31, 2013 and 2012, the Association had no temporarily or permanently restricted net assets.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates and such differences may be material to the combined financial statements.

Fair Values of Financial Instruments

The carrying values of the Association's financial instruments, including current assets and current liabilities, approximate fair value. FASB ASC 820, Fair Value Measurement, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820, Fair Value Measurement, establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3 - Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement (see Note 10).

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fair Values of Financial Instruments (Continued)

The Association's measurements of fair value are made on a recurring basis, and their valuation techniques for assets and liabilities recorded at fair value are as follows:

Investment securities: The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Association are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Association are deemed to be actively traded.

Alternative Investments: Investments are valued using the net asset value reported by the portfolio funds, which management believes approximates fair value. These net asset values are the prices used to execute trades with these Portfolio Funds.

Cash and Cash Equivalents

For purposes of the combined statements of financial position and the combined statements of cash flows, the Association considers all short-term cash deposits with maturities of three months or less to be cash and cash equivalents. This, however, excludes money market accounts within its investment portfolio that are to be reinvested.

Accounts Receivable

The Association periodically reviews accounts receivable to determine collectability based on historical information and knowledge of the customer. If amounts are determined to be uncollectible, they are charged to operations when that determination is made. The use of this method does not differ materially from the allowance method required by accounting principles generally accepted in the United States of America. As of December 31, 2013 and 2012, the Association has an allowance of \$-0- and \$44,715, respectively.

Investment in Affiliate

During 2000, LHA and the Metropolitan Hospital Council of New Orleans, Inc. (the Council) formed ShareCor, LLC (a limited liability company), with each owning a 50% share. Effective January 1, 2003, LHA distributed 25% of its ownership in ShareCor, LLC to LHAMC. Both LHA and LHAMC use the equity method of accounting to account for this investment.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
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Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Investment in Affiliate (Continued)

The following is pertinent financial information for ShareCor, LLC as of December 31, 2013 and 2012:

	2013	2012
Balance Sheet		
Assets	<u>\$ 1,816,525</u>	<u>\$ 833,420</u>
Liabilities	\$ 406,720	\$ 418,783
Equity	<u>1,409,805</u>	<u>414,637</u>
	<u>\$ 1,816,525</u>	<u>\$ 833,420</u>
Income Statement		
Revenues	\$ 1,899,201	\$1,696,021
Expenses	<u>904,033</u>	<u>856,818</u>
Net Income	<u>995,168</u>	<u>839,203</u>
	<u>50%</u>	<u>50%</u>
LHA's Share of Net Income	<u>\$ 497,581</u>	<u>\$ 419,602</u>

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the change in net assets. The unrealized gain or loss on investments is reflected in the combined statements of activities as a component of investment return.

Property and Equipment

Property and equipment are presented in the combined statements of financial position on the basis of cost, less allowances for depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Additions, improvements, renewals and expenditures for maintenance that add materially to the productive capacity or extend the lives of assets are capitalized. Other expenditures for maintenance and repairs are charged against income. Upon retirement or disposal of an asset, the asset cost and related accumulated depreciation is removed, and any gain or loss on such a transaction is recorded as other income or expense.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
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Notes to Combined Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

A summary of property and equipment is as follows for December 31, 2013 and 2012:

	2013	2012
Land	\$ 309,406	\$ 309,406
Buildings	2,279,631	2,272,968
Furniture and Office Equipment	747,775	692,967
	<u>3,336,812</u>	<u>3,275,341</u>
Less: Allowance for Depreciation and Amortization	<u>1,572,201</u>	<u>1,413,036</u>
Total	<u>\$ 1,764,611</u>	<u>\$ 1,862,305</u>

Income Taxes

As mentioned above, the combined financial statements include the for-profit entity LHAMC. Income taxes are provided for the tax effects of LHAMC and consist of taxes currently payable plus deferred components.

Reclassifications

Certain accounts in the prior year combining statement of activities have been reclassified for comparative purposes to conform with the presentation of the current year combining statement of activities. Reclassification had no impact on prior year net assets.

Note 3. Restricted Cash

Approximately \$854,000 and \$519,000 of cash was restricted as of December 31, 2013 and 2012, respectively, relating to grants and contracts awarded to the Foundation. Corresponding liabilities are included in total within treasury payable on the combined statements of financial position.

Note 4. Investments

The cost and fair values of investments at December 31, 2013 and 2012, are as follows:

2013	Fair Value	Cost
Stocks	\$ 4,320,306	\$ 4,045,372
Corporate Bonds	1,875,615	1,860,378
Alternative Investments	426,356	394,778
Government Securities	335,679	283,812
Money Market Deposits for Reinvesting	225,844	225,844
Mutual Funds	90,423	68,296
Total	<u>\$ 7,274,223</u>	<u>\$ 6,878,480</u>

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 4. Investments (Continued)

2012	Fair Value	Cost
Stocks	\$ 301,604	\$ 211,341
Corporate Bonds	270,655	251,504
Alternative Investments	933,108	934,648
Government Securities	2,984,886	2,915,435
Money Market Deposits for Reinvesting	457,949	457,949
Mutual Funds	2,001,892	1,889,141
Total	<u>\$ 6,950,094</u>	<u>\$ 6,660,018</u>

The following table summarizes investment return for the years ended December 31, 2013 and 2012:

	2013	2012
Net Unrealized (Loss) Gain on Investments	\$ (188,817)	\$ 247,250
Realized Gain on Sales of Investments	636,850	33,766
Dividend and Interest Income, Net of Fees	87,671	104,818
Investment Return	<u>\$ 535,704</u>	<u>\$ 385,834</u>

Note 5. Employee Benefit Plan and Other Employee Benefits

In 2003, LHA implemented a multiple-employer 401(k) retirement plan. LHA contributes 10% of each employee's compensation to the 401(k) retirement plan. Additionally, LHA contributes an extra percentage of gross compensation for employees included in designated groups. These designated groups are identified by the employee's classification and length of service. LHA made contributions of \$396,793 and \$353,809, to the 401(k) retirement plan during 2013 and 2012, respectively.

During 2007, the Association established a 457(f) Supplemental Retirement Plan. This plan is a non-qualified deferred compensation arrangement, giving the Association an opportunity to supplement the CEO's retirement income up to his retirement date of December 31, 2013. For the years ended December 31, 2013 and 2012, respectively, the Association incurred an expense of \$69,778, in contributing required funds to this plan.

LHA has a paid time off (PTO) policy, which provides PTO benefits to employees based on classification and length of service. During 2013 and 2012, employees were allowed to carry over a maximum of seventy-five percent of the total current annual PTO earnings. Upon termination of employment or retirement, the unused PTO benefits are payable at a maximum amount equal to seventy-five percent of the total current annual PTO earning capacity. LHA has accrued \$113,581 and \$173,649, as of December 31, 2013 and 2012, respectively, in accordance with the provisions of this policy. The amount accrued is included as a component of other accrued liabilities on the combined statements of financial position.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
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Notes to Combined Financial Statements

Note 6. Related Party Transactions

The Association performs services, conducts educational programs and conferences, and administers grants and contracts. Substantially all of the revenue, related expenses, accounts receivable and accounts payable from these activities results from transactions with its owner-members.

As mentioned in Note 2, LHA and LHAMC own a combined 50% of the common stock of ShareCor, LLC. The Association provides management and administrative support services to both ShareCor, LLC and the Council. Management fee revenue recorded by the Association in 2013 and 2012 from ShareCor totaled \$90,000. Accounting fee revenue recorded by the Association in 2013 and 2012 from ShareCor totaled \$44,000. Contract revenue recognized in 2013 and 2012 by the Association from ShareCor totaled \$1,200 and \$1,350, respectively. Management fee revenue recorded by the Association in 2013 and 2012 from the Council totaled \$420,059. Accounting fee revenue recorded by the Association in 2013 and 2012 from the Council totaled \$29,000. Contract revenue recognized in 2013 and 2012 by the Association from the Council totaled \$600. Management fee revenues, accounting fee revenues and contract revenues are included within Management Fees on the combined statements of activities.

As of December 31, 2013 and 2012, the net amount due from ShareCor was \$21,009 and \$65,615, respectively. These net receivables are included as a component of due from affiliates on the Association's combined statements of financial position.

Effective January 1, 2009, ShareCor entered into a rental agreement with LHA for office space in LHA's Annex building located at 2324 Weymouth Drive. In March of 2013, ShareCor and LHA both agreed to terminate the rental agreement. As of December 31, 2013 and 2012, the Association recognized rental income of \$1,998 and \$8,000, respectively.

As of December 31, 2013, the net amount due to the Council was \$238,149. As of December 31, 2012, the net amount due from the Council was \$58,733. These net payables and receivables are included as a component of due to affiliates and due from affiliates, respectively, on the Association's combined statements of financial position.

Note 7. Related Party Note

During 2007, LHA purchased land. On March 5, 2008, LHA sold the land to LHAMC for the purpose of constructing a Conference Center. The Conference Center was completed and put into operation in December 2008.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
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Notes to Combined Financial Statements

Note 7. Related Party Note (Continued)

During 2009, LHA permanently financed the Conference Center with LHAMC. The promissory note totaled \$550,000, bearing interest at a rate of 5% per annum from the date until paid, paid in equal installments of \$3,630 per month, due on the first day of each month commencing June 1, 2009, and with one final installment of all unpaid principal and interest due and payable on May 1, 2014. In April 2013, LHAMC paid \$219,435 in additional principle on the note to significantly reduce the remaining balance owed to the LHA. These transactions have been appropriately eliminated in consolidation.

Note 8. Income Taxes and Deferred Income Taxes

The income tax expense reported within these statements is summarized as follows:

Provision	2013	2012
Current		
Federal	\$ 67,007	\$ 40,360
State	9,239	5,945
Deferred	(507)	(18,240)
Total Provision	<u>\$ 75,739</u>	<u>\$ 28,065</u>

LHAMC's effective tax rate is different than what would be expected if the statutory rates were applied to net income before income taxes primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes.

The components of the deferred tax are as follows as of:

	2013	2012
Deferred Liability		
Depreciation	\$ 151,322	\$ 151,829
Net Deferred Liability	<u>\$ 151,322</u>	<u>\$ 151,829</u>

Note 9. Leases

The Association leases three copiers under operating leases expiring February 2019. The terms of these leases include minimum monthly payments of \$2,145, \$889, and \$238 for a period of 72 months.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 9. Leases

Minimum future rental payments under non-cancelable operating leases as of December 31, 2013, are as follows:

December 31,	Amount
2014	\$ 39,268
2015	39,268
2016	39,268
2017	39,268
2018	39,268
Thereafter	<u>6,545</u>
Total	<u>\$ 202,885</u>

The Association's expense for both the lease and maintenance of the above copiers totaled \$55,635 and \$56,003, for the years ended December 31, 2013 and 2012, respectively.

Note 10. Risk Concentration

The Association owns 50% of ShareCor, LLC, as discussed in Note 2. A significant source of income for the Association is the equity distributions received from ShareCor, LLC. ShareCor, LLC's significant source of income is from an ongoing participation in a group-repurchasing program. Even though management feels the revenue stream will continue for the foreseeable future, ShareCor, LLC has no control of the participants in the group-repurchasing program.

The Association periodically maintains cash deposits in accounts with a major financial institution in excess of federally insured limits. The Association has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. In addition, securities have been pledged as collateral by the financial institution holding these deposits to secure the excess over federally insured limits.

Note 11. Fair Value Measurements

The Association's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the provisions of FASB ASC 820, Fair Value Measurement. See Note 2 for a description of the Association's policies and valuation techniques.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 11. Fair Value Measurements (Continued)

The valuation of the Association's assets and liabilities measured at fair value on a recurring basis at December 31, 2013, are as follows:

December 31, 2013				
Assets	Level 1	Level 2	Level 3	Net Balance
Marketable Stocks	\$ 4,320,306	\$ -	\$ -	\$ 4,320,306
Corporate Bonds	1,875,615	-	-	1,875,615
Government Securities	335,679	-	-	335,679
Money Market Deposits	225,844	-	-	225,844
Mutual Funds	90,423	-	-	90,423
Alternative Investments	-	-	426,356	426,356
Total	\$ 6,847,867	\$ -	\$ 426,356	\$ 7,274,223

The changes in investments measured at fair value for which the Association has used Level 3 inputs to determine fair value are as follows:

Assets	Level 3 Beginning Balance	Net Realized and Unrealized Gains (Losses)	Net Purchases and Sales	Net Transfers in (out) of Level 3	Level 3 Ending Balance
Investments	\$ 773,106	\$ 31,577	\$ (378,327)	\$ -	\$ 426,356
Total	\$ 773,106	\$ 31,577	\$ (378,327)	\$ -	\$ 426,356

The valuation of the Association's assets and liabilities measured at fair value on a recurring basis at December 31, 2012, are as follows:

Assets	Level 1	Level 2	Level 3	Net Balance
Marketable Stocks	\$ 301,604	\$ -	\$ -	\$ 301,604
Corporate Bonds	270,655	-	-	270,655
Government Securities	2,984,886	-	-	2,984,886
Money Market Deposits	457,949	-	-	457,949
Mutual Funds	2,001,892	-	-	2,001,892
Alternative Investments	-	160,002	773,106	933,108
Total	\$ 6,016,986	\$ 160,002	\$ 773,106	\$ 6,950,094

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 11. Fair Value Measurements (Continued)

The changes in investments measured at fair value for which the Association has used Level 3 inputs to determine fair value are as follows:

Assets	Level 3 Beginning Balance	Net Realized and Unrealized Gains (Losses)	Net Purchases and Sales	Net Transfers in (out) of Level 3	Level 3 Ending Balance
Investments	\$ 738,309	\$ 37,935	\$ (3,138)	\$ -	\$ 773,106
Total	\$ 738,309	\$ 37,935	\$ (3,138)	\$ -	\$ 773,106

Gains and losses (realized and unrealized) included in changes in net assets for the periods above are reported in investment return in the Statement of Activities.

In September 2009, FASB issued an amendment Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent) ASU 2009-12, which provides guidance on how entities should estimate fair value of certain alternative investments.

The fair value of investments within the scope of this guidance can now be determined using net asset value (NAV) per share as a practical expedient, when the fair value is not readily determinable, unless it is probable the investment will be sold at something other than NAV. It also requires disclosure of certain attributes by major category of alternative investments, regardless of whether the practical expedient was used.

Changes in Fair Value Levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluate the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2013 and 2012, there were no transfers in or out of Level 3.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 11. Fair Value Measurements (Continued)

Qualitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following tables represent the Association's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

December 31, 2013					
Investment	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values	Weighted Average
The Endowment	\$ 426,356	***	***	N/A	N/A
Total Alternative Investments	<u>\$ 426,356</u>				
December 31, 2012					
Investment	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values	Weighted Average
Skybridge Multi-Adviser	\$ 218,444	***	***	N/A	N/A
Systematic Momentum	-	***	***	N/A	N/A
The Endowment	554,662	***	***	N/A	N/A
Total Alternative Investments	<u>\$ 773,106</u>				

“***” - refer to above discussion on fair value measurement in Note 2: Fair Values of Financial Instruments.

In estimating fair value of the investments in Level 3, management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

Note 12. Uncertain Tax Position

The Association accounts for uncertain tax positions in accordance with FASB ASC 740, *Income Taxes*. FASB ASC 740, *Income Taxes*, prescribes recognition threshold and measurement processes for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Management evaluated the Association's tax positions for the year ending December 31, 2013 and concluded that the organization had taken no uncertain tax positions that require adjustment to the combined financial statements to comply with the provisions of this guidance. The Association's tax filings are subjected to audit by various taxing authorities. The Association's open audit periods are 2010 through 2012.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION**

Notes to Combined Financial Statements

Note 13. Subsequent Events

Management has evaluated subsequent events through the date that the combined financial statements were available to be issued May 12, 2014, and determined that no other events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION
Combining Statement of Activities
For the Year Ended December 31, 2013**

	Louisiana Hospital Association Consolidated	Louisiana Hospital Association Research and Education Foundation	Eliminations	Combined
Revenues, Gains and Other Support				
Institutional Revenue	\$ 3,630,850	\$ -	\$ -	\$ 3,630,850
Non-Institutional Revenue	184,734	-	-	184,734
Educational Activities	867,807	-	-	867,807
Equity in Income of Affiliate	497,581	-	-	497,581
Investment Return	518,268	17,436	-	535,704
Management Fees	628,855	-	(43,996)	584,859
Direct Contract and Grant Revenue	-	2,639,333	-	2,639,333
Indirect Contract and Grant Revenue	-	97,581	-	97,581
Other Revenue	80,952	190	(31,993)	49,149
Total Revenues, Gains and Other Support	6,409,047	2,754,540	(75,989)	9,087,598
Expenses				
Program Expenses				
Salaries, Wages and Benefits	3,287,177	5,140	-	3,292,317
Educational Activities	469,459	-	-	469,459
Contract and Grant Expense	-	1,561,063	-	1,561,063
Supporting Expenses				
Building, Office and Equipment	254,276	33,665	(31,993)	255,948
General and Administrative	246,911	1,188	-	248,099
Insurance	29,914	1,459	-	31,373
Legal and Professional Fees	617,118	2,500	-	619,618
Accounting Fees	-	43,996	(43,996)	-
Public Relations	194,922	-	-	194,922
Other Expenses	117,644	-	-	117,644
Bad Debt Expense	53,783	-	-	53,783
Income Tax Expense	75,739	-	-	75,739
Depreciation	156,741	2,424	-	159,165
Total Expenses	5,503,684	1,651,435	(75,989)	7,079,130
Change in Net Assets	\$ 905,363	\$ 1,103,105	\$ -	\$ 2,008,468

See independent auditor's report.

**LOUISIANA HOSPITAL ASSOCIATION AND SUBSIDIARY and
LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND EDUCATION FOUNDATION
Combining Statement of Activities
For the Year Ended December 31, 2012**

	Louisiana Hospital Association Consolidated	Louisiana Hospital Association Research and Education Foundation	Eliminations	Combined
Revenues, Gains and Other Support				
Institutional Revenue	\$ 3,399,950	\$ -	\$ -	\$ 3,399,950
Non-Institutional Revenue	200,072	-	-	200,072
Educational Activities	794,777	-	-	794,777
Equity in Income of Affiliate	419,602	-	-	419,602
Investment Return	375,597	10,237	-	385,834
Management Fees	585,009	-	-	585,009
Direct Contract and Grant Revenue	-	1,288,082	-	1,288,082
Indirect Contract and Grant Revenue	-	96,985	-	96,985
Other Revenue	66,903	20	(32,000)	34,923
Total Revenues, Gains and Other Support	5,841,910	1,395,324	(32,000)	7,205,234
Expenses				
Program Expenses				
Salaries, Wages and Benefits	3,177,214	8,425	-	3,185,639
Educational Activities	417,680	-	-	417,680
Contract and Grant Expense	-	1,282,616	-	1,282,616
Supporting Expenses				
Building, Office and Equipment	287,132	32,394	(32,000)	287,526
General and Administrative	238,906	445	-	239,351
Insurance	30,169	2,490	-	32,659
Legal and Professional Fees	316,895	-	-	316,895
Public Relations	67,956	-	-	67,956
Other Expenses	102,534	-	-	102,534
Bad Debt Expense	87,441	-	-	87,441
Income Tax Expense	28,065	-	-	28,065
Depreciation	139,892	2,425	-	142,317
Total Expenses	4,893,884	1,328,795	(32,000)	6,190,679
Change in Net Assets	\$ 948,026	\$ 66,529	\$ -	\$ 1,014,555

See independent auditor's report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

The Board of Trustees
Louisiana Hospital Association and Subsidiary
and Louisiana Hospital Association Research
and Education Foundation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Hospital Association and Subsidiary and Louisiana Hospital Association Research and Education Foundation (collectively, the Association), which comprise the combined financial statement of financial position as of December 31, 2013, and the related combined statements of activities and cash flows for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated May 12, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the board of trustees, and the Louisiana Legislative Auditors, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:573, this report is distributed by the legislative auditor as public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
May 12, 2014



LaPorte, APAC
111 Veterans Blvd. | Suite 600
Metairie, LA 70005
504.835.5522 | Fax 504.835.5535
LaPorte.com

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

To the Board of Trustees
Louisiana Hospital Association Research
and Education Foundation

Report on Compliance or Each Major Federal Program

We have audited Louisiana Hospital Association Research and Education Foundation's (the Foundation's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of The Foundation's major federal programs for the year ended December 31, 2013. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management' Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance with those requirements.

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Opinion on Each Major Federal Program

In our opinion, Louisiana Hospital Association Research and Education Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Louisiana Hospital Association Research and Education Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



A Professional Accounting Corporation

Metairie, LA
May 12, 2014

**LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND
EDUCATION FOUNDATION**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013**

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE (per CFDA)	Federal CFDA Number	Program Name	Total Expenditures
U.S. Department of Health and Human Services			
Passed through Louisiana Healthcare Quality Forum:			
ARRA - Health Information Technology Regional Extention Centers Program	93.718	Reginal Extention Centers Program (REC)	\$ 21,745
Passed Through State of Louisiana Department of Health and Hospitals:			
State Rural Hospital Flexibility Program	93.241	FLEX Program	12,400
National Hospital Preparedness Program	93.889	Hospital Preparedness Program (HHS)	2,975,470
Passed Through State of Louisiana Department of Health and Hospitals: Passed Through Health Research & Education Trust (HRET):			
Comprehensive Unit-based Safety Program to Reduce Cather-associated Urinary Tract Infection	93.HHSA290201000025I	CAUTI	<u>11,807</u>
Total Expenditures			<u><u>\$ 3,021,422</u></u>

The accompanying notes are an integral part of this schedule.

**LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND
EDUCATION FOUNDATION**

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Hospital Association Research and Education Foundation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements on OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Sub Recipients

Of the federal expenditures presented in the schedule, the Foundation provided federal awards to sub recipients as follows:

Program Name	Federal CFDA Number	Amounts Provided to Sub Recipients
Hospital Preparedness Program (HHS)	93.889	\$ 2,371,796

**LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND
EDUCATION FOUNDATION**

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013**

Part I - Summary of Auditor's Results

Financial Statements

- | | | |
|----|---|---------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified? | None Reported |
| 3. | Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | | |
|----|--|---------------|
| 1. | Internal control over major programs: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified? | None Reported |
| 2. | Noncompliance material to the financial statements noted? | No |
| 3. | Type of auditor's report issued on compliance for major programs: | Unmodified |
| 4. | Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133: | No |
| 5. | Identification of major programs: | |

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.889	National Hospital Preparedness Program

- | | | |
|----|--|-----------|
| 6. | Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 7. | Auditee qualified as low-risk auditee? | Yes |

See independent auditor's report.

**LOUISIANA HOSPITAL ASSOCIATION RESEARCH AND
EDUCATION FOUNDATION**

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2013**

Part II - Financial Statement Findings

No matters were reported for the current year.

For prior year, the below finding was reported.

2012-1 Late Submission of Audit Report

<i>Criteria:</i>	Louisiana Revised Statute 24:513 requires audit reports to be completed and submitted to the State of Louisiana Legislative Auditor within six (6) months after year end, unless the Louisiana Legislative Auditor Audit Advisory Council approves an extension request, based only on a natural disaster, to file the audit report with the Louisiana Legislative Auditor by a specific date.
<i>Condition:</i>	The December 31, 2012 audited financial statements were not submitted to the Legislative Auditor's office by the statutory due date of June 30, 2013.
<i>Effect:</i>	An audit report filed with an approved extension from the Legislative Audit after the six (6) months timeframe for any reasons other than for a natural disaster is a violation of the State audit completion and submission law.
<i>Cause:</i>	The Association did not complete its financial statements in a timely manner.
<i>Current Status:</i>	Resolved. The Louisiana Legislative Auditor Advisory Council approved an extension request, which was not based on a natural disaster, to file the audit report with the Louisiana Legislative Auditor by the end of July 2013. The Association will submit the December 31, 2013 audited financial statements to the Legislative Auditor's office by the statutory due date of June 30, 2014.

Part III – Findings and Questioned Costs for Federal Awards

No matters were noted.